

EXPORTATION OF EMBARGOED GOODS

Exchange of notes at Washington August 10 and 31, 1917
Entered into force August 31, 1917

Department of State files

The Russian Ambassador to the Secretary of State

RUSSIAN EMBASSY
WASHINGTON
August 10, 1917

SIR:

I have the honor to submit the following for your consideration:

It would seem desirable to the Provisional Russian Government that certain of the arrangements which are in force between the Government of the United States and my Government should be modified and revised, as a consequence of the Government of the United States having joined the Allies in the war; particularly the Proctol of Agreement between the United States and Russia concerning the exportation of embargoed goods now in Russia to the United States, executed at Washington, September 23, 1915,¹ should be cancelled in view of the fact that the Government of the United States has taken under its control all exportations to Neutral Countries, thereby preventing the importation of these goods by the enemies of the Allied Governments.

Expressing by the present the desire of the Russian Government to cancel this agreement, I have the honor to inform you that the following rules and regulations of my Government, concerning the same matter, are supposed to be maintained in force.

1) The Russian Government requires a deposit in dollars to be made at the National City Bank of New York, for the value of the commodity to be exported from Russia. Consequently, regulations contained in the circular (copy of which I attach)² issued by the Bureau of Foreign & Domestic Commerce under date of August 23, 1916, should remain in effect.

¹ TS 618, *ante*, p. 1242.

² Not printed here.

2) It would also seem advisable to retain the applications which are made by the American importers to the Bureau of Foreign & Domestic Commerce, and which are the basis of requests for permission to export the goods from Russia. These applications would be entirely for the convenience of the American importer who could not easily communicate directly with my Government concerning the release of the desired goods. Therefore, I would suggest that a short application (according to the attached form)² should be made by the American importer to the Commercial Agent in charge of the Bureau of Foreign & Domestic Commerce, New York City.

It is understood that if a Russian exporter should give in Russia directly to my Government the obligation of delivery of the exchange or its difference, the necessity of filing applications with the Commercial Agent in charge at New York City, would be obviated.

Should your Excellency agree to the cancellation of the said Agreement of September 23, 1915, no bonds will be required from the American importers from the date of the cancellation of the Agreement, and all bonds which are in the possession of our Commercial Attaché will be returned to the American importers; it is understood that importers have to submit to the Bureau of Foreign & Domestic Commerce satisfactory written evidence that the goods imported under said bonds have not been exported from the United States. A Committee composed of one representative of the Department of Commerce and two representatives of the Russian Government, shall decide whether the evidence submitted by the American importer is satisfactory, and shall determine whether the bond is to be returned for cancellation or to be forfeited.

An answer of your Excellency stating the acquiescence of the Government of the United States to the terms of the present communication will be deemed as the cancellation of the agreement in question.

Accept, Sir, the assurances of my highest consideration,

G. BAKHMÉTEFF

The Honorable

THE SECRETARY OF STATE
Washington, D.C.

The Secretary of State to the Russian Ambassador

AUGUST 31, 1917

EXCELLENCY:

I have the honor to acknowledge the receipt of your note of August 10, 1917, indicating the desirability of the cancellation of the Protocol of Agreement between the United States and Russia concerning the exportation

of embargoed goods in Russia to the United States, executed at Washington, September 23, 1915, in view of the control now exercised by the Government of the United States over exportations to neutral countries and indicating the procedure to be followed with reference to future applications for permission to export embargoed goods from Russia and for the cancellation of outstanding bonds given by American importers upon proof that the goods imported under said bonds have not been exported from the United States.

The Government of the United States hereby acquiesces in the cancellation of the Protocol of Agreement of September 23, 1915, and the procedure with reference to future applications as indicated in your note, it being understood that bonds will not be required of American importers of Russian embargoed goods from this date, and that the procedure referred to in your Excellency's note will be instituted for the cancellation of outstanding bonds and that this note taken together with your Excellency's note under acknowledgement will be deemed a cancellation of the Protocol of Agreement in question.

It is suggested that the agent of the Department of Commerce in charge of the New York branch of the Bureau of Foreign and Domestic Commerce be the representative of the Department of Commerce upon the committee to deal with the cancellation of outstanding bonds and copies of Your Excellency's note of August 10 and this note are being forwarded to the Secretary of Commerce for the information of that Department.

Accept, Excellency, the renewed assurances of my highest consideration.

ROBERT LANSING

His Excellency

Mr. BORIS BAKHMETEFF

Ambassador of Russia